

---

# **1997 Annual Report**

## **Stockyards Southeast Quadrant Redevelopment Project Area**



**Pursuant to Mayor's  
Executive Order 97-2**

*June 30, 1998*

---



City of Chicago  
Richard M. Daley, Mayor

Department of Planning  
and Development

Christopher R. Hill  
Commissioner

121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4190  
(312) 744-2271 (FAX)

<http://www.ci.chi.il.us>

June 30, 1998

The Honorable Mayor Richard M. Daley, Members  
of the City Council, and Citizens of the City of Chicago  
City of Chicago  
121 N. LaSalle Street  
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the Stockyards Southeast Quadrant  
Redevelopment Project Area, along with 43 other individual reports, is  
presented pursuant to the Mayoral Executive Order 97-2 (Executive Order)  
regarding annual reporting on the City's tax increment financing (TIF)  
districts. The City's TIF program has been used to finance neighborhood  
and downtown improvements, leverage private investment, and create and  
retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form  
of the attached, will be filed with the City Clerk for transmittal to the City  
Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill  
Commissioner  
Department of Planning and Development

Walter K. Knorr  
Chief Financial Officer



June 30, 1998

Mr. Christopher R. Hill  
Commissioner  
Department of Planning and Development  
121 N. LaSalle St.  
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the required annual report for the Stockyards Southeast Quadrant Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed-upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City departments.

Very truly yours,



Ernst & Young LLP

# Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

## TABLE OF CONTENTS

### ANNUAL REPORT - STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT AREA IN COMPLIANCE WITH SECTION (4) OF THE MAYOR'S EXECUTIVE ORDER 97-2

	PAGE
PURPOSE OF REPORT.....	1
METHODOLOGY .....	1
(a) GENERAL DESCRIPTION.....	5
(b) DATE OF DESIGNATION AND TERMINATION .....	6
(c) COPY OF REDEVELOPMENT PLAN.....	6
(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS.....	6
(e) DESCRIPTION OF TIF PROJECT(S) .....	7
(f) DESCRIPTION OF TIF DEBT INSTRUMENTS .....	9
(g) DESCRIPTION OF CITY CONTRACTS .....	11
(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY .....	14
(i) DESCRIPTION OF PROPERTY TRANSACTIONS.....	15
(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER .....	16
(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS.....	17
(l) CERTAIN CONTRACTS OF TIF CONSULTANTS.....	19
(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT .....	20
ATTACHMENT - REDEVELOPMENT PLAN.....	21

# **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

## **Purpose of Report:**

The purpose of the Annual Report for the Stockyards Southeast Quadrant Industrial Redevelopment Project Area (Report) is to provide useful information to interested parties regarding the City of Chicago's (City) tax increment financing (TIF) districts in existence on December 31, 1997, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Stockyards Southeast Quadrant Industrial Redevelopment Project Area (Project Area).

## **Methodology:**

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. Except to the extent that Section (h) also describes completed projects, the Report reflects only TIF economic activity during 1997. As outlined below, several assumptions were made concerning certain required information.

### **(a) General Description**

The general boundaries of the Project Area were described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets were identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

### **(b) Date of Designation and Termination**

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

### **(c) Copy of Redevelopment Plan**

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(d) Description of Intergovernmental and Redevelopment Agreements**

Agreements related to the Project Area are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of Agreements with the Cook County Recorder of Deeds is included in Section (d) (if applicable).

### **(e) Description of TIF Projects**

Section (e) describes each TIF project in the Project Area that has already received approval by the Community Development Commission. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreement, if such agreements exist. City tax increment project expenditures during 1997, tax increment project expenditures to date, and a description of all TIF financing were included in Section (e). This Report covers only those projects already approved by the Community Development Commission as of December 31, 1997, and which received TIF financing during 1997. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report.

### **(f) Description of all TIF Debt Instruments**

Descriptions of all TIF debt instruments in Section (f) were obtained from the City. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest were not included in Section (f). Such instruments do not qualify as TIF debt instruments as defined by the Executive Order.

### **(g) Description of City Contracts**

Section (g) provides a description of City contracts paid with incremental property tax revenues in 1997. For purposes of the Report, "prior calendar year" as defined in the Executive Order means 1997. Section (g) does not cover payments for services related to TIF projects previously reported in Section (e).

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within an area, or payments to

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g)

does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts may include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

### **(h) Summary of Private and Public Investment Activity**

Section (h) describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

The investment activity reported is based on data for projects described in the intergovernmental or redevelopment agreements and any additional data available to the Commissioner of Planning and Development. Private and public investments are estimated in Section (h) on a completed project basis. The Report contains only the final ratio of private/public investment for each TIF project. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

### **(i) Description of Property Transactions**

Information regarding property transactions is provided in Section (i), to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area.

### **(j) Financial Summary Prepared by the City Comptroller**

Section (j) provides a 1997 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles.

### **(k) Description of Tax Receipts and Assessment Increments**

Information concerning 1997 tax receipts and assessments associated with the Project Area is provided in Section (k). The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts.

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(l) Certain Contracts of TIF Consultants**

Section (l) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (l) are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997.

### **(m) Compliance Statement Prepared by an Independent Public Accountant**

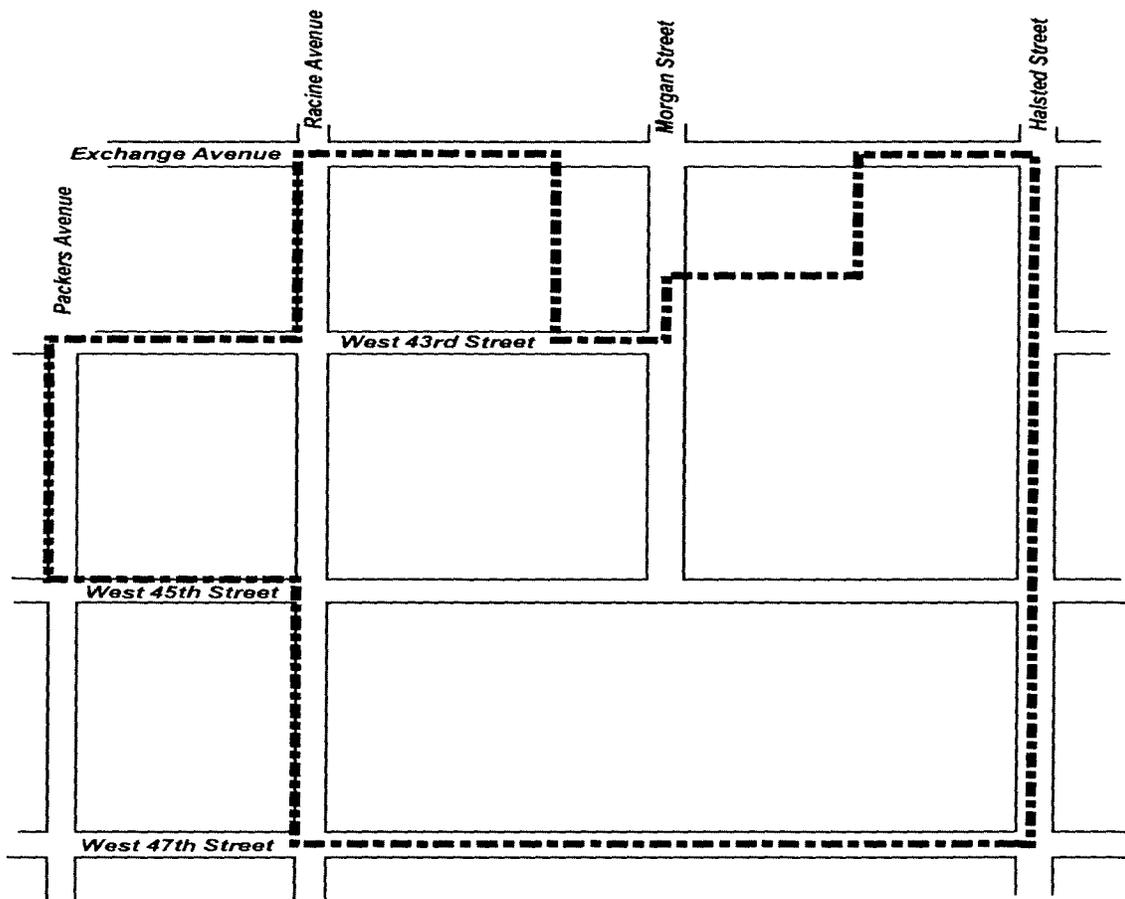
As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

# Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

## (a) GENERAL DESCRIPTION

The Project Area is generally bounded on the north by Exchange Avenue, on the east by Halsted Street, on the south by West 47<sup>th</sup> Street, and on the west by Packers Avenue. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



## Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

### (b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on February 26, 1992. The Project Area may be terminated no later than February 26, 2015.

### (c) COPY OF REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

### (d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

Information pertaining to executed intergovernmental and redevelopment agreements is provided in Table D below. A description of intergovernmental and redevelopment agreements executed in connection with the Project Area, naming parties, dates of authorization by the City Council, dates of execution, and dates of recording in the office of the Cook County Recorder of Deeds (if applicable), is included.

**TABLE D  
INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS**

<b>PARTIES TO AGREEMENT WITH CITY</b>	<b>DATE OF AUTHORIZATION BY CITY COUNCIL</b>	<b>DATE OF EXECUTION</b>	<b>DATE OF RECORDING IN RECORDER OF DEEDS OFFICE (if applicable)</b>
OSI Industries, Inc.	6/10/96	6/27/97	6/27/97
Luster Products, Inc.	12/21/92	2/3/93	3/23/93
Marina Cartage, Inc.	2/7/96	7/2/96	7/12/96

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(e) DESCRIPTION OF TIF PROJECT(S)**

The following Table E provides the required information as outlined in the Executive Order about each TIF project which has received TIF financing during the most recently concluded prior calendar year (1997). A description of each TIF project approved by the Community Development Commission or currently under way within the Project Area is included in Table E. The table specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable, and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

# Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

TABLE E  
DESCRIPTION OF TIF PROJECTS APPROVED BY THE COMMUNITY DEVELOPMENT COMMISSION WITH EXPENDITURES  
DURING THE PRIOR CALENDAR YEAR

NATURE OF PROJECT	BUDGETED PROJECT COST	TIF ASSISTANCE ALLOCATED TO THE PROJECT	ESTIMATED TIMETABLE	PRIOR YEAR CHANGES IN TIMETABLE	TOTAL CITY TAX INCREMENT EXPENDITURES DURING 1997	TOTAL CITY TAX INCREMENT EXPENDITURES TO DATE	TYPE OF TIF FINANCING	DATE OF TIF FINANCING	TERM OF TIF FINANCING	PRINCIPAL AMOUNT OF TIF FINANCING	PROJECT RECIPIENT	PURPOSE OF PROJECT FINANCING
Industrial Business Expansion	\$4,543,888	\$1,135,972	12/95-11/30/96	N.A. (1)	\$129,218	\$986,347	City of Chicago Tax Increment Allocation Revenue and Refunding Bonds (Stockyards Southeast Quadrant Industrial Redevelopment Project) Series 1994B	12/29/94	Due. 1/1/2014	\$10,400,000	Marina Cartage Inc	Rehabilitation
Industrial Retention & Expansion	\$14,687,000	\$2,068,000	9/1/95-12/31/96	N.A. (1)	\$2,045,368	\$2,045,368	N.A. (2)	N.A. (1)	N.A. (1)	N.A. (1)	OSI Industries, Inc	Rehabilitation

(1) N.A. - not applicable.

(2) Project was originally funded from proceeds of the City of Chicago General Obligation Tender Bonds, Project Series B of 1992.

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(f) DESCRIPTION OF TIF DEBT INSTRUMENTS**

The following Table F provides the required TIF debt information for the Project Area as outlined in the Executive Order. The table contains a description of all TIF debt instruments related to the Project Area, including:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate and security of each sale of TIF debt instruments, and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1997);
- 5) the amount of principal paid from tax increment during the prior calendar year (1997).

## Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

TABLE F  
DESCRIPTION OF TIF DEBT INSTRUMENTS RELATED TO THE PROJECT AREA - TERMS

NAME OF DEBT INSTRUMENT	DATE	PRINCIPAL	INTEREST RATE	SECURITY	TYPE	UNDERWRITERS	TRUSTEES	INTEREST PAID DURING PRIOR YEAR (1997)	PRINCIPAL PAID DURING PRIOR YEAR (1997)
City of Chicago Tax Increment Allocation Revenue and Refunding Bonds (Stockyards Southeast Quadrant Industrial Redevelopment Project) Series 1994B	Dated: 12/29/94	\$10,400,000	9.25%	Incremental Taxes	Tax Increment Allocation Bond	Principal Financial Securities, Inc.	Cole Taylor Bank	\$457,875	\$9,900,000
City of Chicago Tax Increment Allocation Revenue and Refunding Note (Stockyards Southeast Quadrant Industrial Redevelopment Project) Series 1996B	Dated: 1/2/1997 through 1/29/1997	\$9,900,000	6.0%	Incremental Taxes	Promissory Note	N.A.(1)	Cole Taylor Bank	\$45,667	\$9,900,000
City of Chicago Tax Increment Allocation Revenue and Refunding Bonds (Stockyards Southeast Quadrant Industrial Redevelopment Project) Series 1996B	Dated: 1/30/1997	\$20,000,000	5.375%	Letter of Credit Incremental Taxes	Tax Increment Allocation Bond	George K. Baum & Company	Cole Taylor Bank	\$1,072,534	\$0

(1) N.A. - not applicable.

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(g) DESCRIPTION OF CITY CONTRACTS**

The following Table G contains the required information as outlined in the Executive Order pertaining to City contracts related to the Project Area. The section contains a description of each City contract related to the Project Area and executed or in effect during the prior calendar year. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. This Section (g) does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include but are not limited to payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Section (g) does not report such non-contractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

## Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

**TABLE G**  
**DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA**

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1997</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
Compaq Computer Group	Term Agreement	Computer Software, Equipment, Modeling and Other Professional Support Services	\$51,181	100%
MicroAge Solutions	Term Agreement	Computer Software, Equipment, Modeling and Other Professional Support Services	\$7,952	100%
Personal Computer	Term Agreement	Computer Software, Equipment, Modeling and Other Professional Support Services	\$13,231	100%
HNTB Illinois Inc.	Term Agreement	Site Survey	\$5,988	100%
G.F. Structures	Term Agreement	Installation of Ornamental Gate at Halsted St. and Exchange Ave.	\$8,352	100%
N.F. Demolition	Term Agreement	Demolition of Buildings	\$1,164,000	100%
William A. McCann Associates	Term Agreement	Appraisal	\$918	100%
National Appraisal Services	Term Agreement	Appraisal	\$2,800	100%
Bansley & Kiener	1997	Financing Costs	\$2,940	100%
City TIF Program Administration	1997	Costs of Implementation	\$54,527	100%
Midwest Mgt Consultants, Inc.	1997	Financing Costs	\$17,400	100%
Louick/Schneider & Associates	1997	Financing Costs	\$17,400	100%

## Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

**TABLE G**  
**DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA**

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1997</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
Carney & Brothers	1997	Financing Costs	\$15,000	100%
Standard & Poor's	1997	Financing Costs	\$17,750	100%
Cole Taylor Bank	1997	Financing Costs	\$3,000	100%
Hopkins & Sutter	1997	Financing Costs	\$62,500	100%
Burke, Warren, & McKay	1997	Financing Costs	\$17,325	100%
Victor P. Armenariz & Assoc.	1997	Financing Costs	\$7,425	100%
George K. Baum & Co.	1997	Financing Costs	\$134,450	100%
Reprotech	1997	Financing Costs	\$2,310	100%
George K. Baum & Co.	1997	Financing Costs	\$12,750	100%
Chapman & Cutler	1997	Financing Costs	\$1,250	100%

## Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

### (h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

The following Table H provides the required information as outlined in the Executive Order pertaining to private investment activity, job creation, job retention, and the ratio of private to public investment. It describes each TIF project in the Project Area that has an executed intergovernmental or redevelopment agreement as of December 31, 1997, or that has been approved by the Community Development Commission as of December 31, 1997.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area, and a summary for each TIF project within the Project Area.

The Report contains only the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

**TABLE H  
DESCRIPTION OF PRIVATE INVESTMENT ACTIVITY, JOB RETENTION, JOB CREATION,  
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT IN THE PROJECT AREA**

<u>NAME OF TIF PROJECT</u>	<u>JOB CREATION</u>	<u>JOB RETENTION</u>	<u>PRIVATE INVESTMENT ACTIVITY</u>	<u>PUBLIC INVESTMENT</u>	<u>RATIO OF PRIVATE/PUBLIC INVESTMENT</u>
Luster Products	N.A.(1)	330	\$7,705,022	\$5,000,000	1.54
OSI	194	497	\$12,628,000	\$2,045,370	6.17
Marina Cartage	5	175	\$3,407,916	\$1,135,972	3.00
		<b>TOTAL</b>	<b>\$23,740,938</b>	<b>\$8,181,342</b>	<b>2.90</b>

(1) N.A. - not applicable.

Note<sub>1</sub>: Data gathered by an independent consultant to the City, with the assistance of City staff.

Note<sub>2</sub>: Each project was initially funded using general obligation bond proceeds which served as a catalyst for economic development within this TIF district, in anticipation of future tax increment revenue.

## Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

### (i) DESCRIPTION OF PROPERTY TRANSACTIONS

The Executive Order requires information pertaining to property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the TIF area during the prior calendar year (1997):

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City, if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;
- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

As mentioned above, the Executive Order requires reporting of property transactions occurring within the Project Area, to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. **However, the City did not take or divest title to real property within the Project Area during 1997. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1997.**

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER**

The audited financial statements provide the required information as outlined in the Executive Order pertaining to financial aspects of the Special Tax Allocation Fund for the Project Area. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers, deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1997 AND 1996

CITY OF CHICAGO, ILLINOIS

STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1
Combined balance sheets	2
Combined statements of revenues, expenditures and changes in fund balances - governmental funds	3
Notes to combined financial statements	4-6
SUPPLEMENTARY INFORMATION	
Schedule of cash activities	7
Schedule of expenditures by statutory code	8

**BANSLEY AND KIENER, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

125 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-4496

AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying combined balance sheet of the Stockyards Southeast Quadrant Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the related combined statements of revenues, expenditures and changes in fund balance - governmental funds for the years then ended December 31, 1997 and 1996. These combined financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We previously audited and reported upon the balance sheet as of December 31, 1996, totals of which are included for comparative purposes only.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Stockyards Southeast Quadrant Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1997, and the results of its governmental funds operations and changes in fund balance for the years then ended December 31, 1997 and 1996, in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedule of cash activities on page 7 and the schedule of expenditures by statutory code on page 8, which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the combined financial statements of Stockyards Southeast Quadrant Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

May 5, 1998

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT

COMBINED BALANCE SHEETS  
DECEMBER 31, 1997  
(With Comparative Totals for 1996)

<u>A S S E T S</u>	<u>Governmental Funds</u>	<u>General Long-term Debt Account Group</u>	<u>Total 1997</u>	<u>Total 1996</u>
Cash and investments	\$19,589,361	\$ -	\$19,589,361	\$11,128,656
Property taxes receivable	1,862,678	-	1,862,678	1,736,034
Accrued interest receivable	391,417	-	391,417	47,052
Amount available for debt service	-	4,133,734	4,133,734	3,056,086
Amount to be provided for retirement of general long-term debt	<u>-</u>	<u>15,866,266</u>	<u>15,866,266</u>	<u>6,843,914</u>
Total assets	<u>\$21,843,456</u>	<u>\$20,000,000</u>	<u>\$41,843,456</u>	<u>\$22,811,742</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Vouchers payable	\$ 8,352	\$ -	\$ 8,352	\$ 31,341
Due to other City funds	54,527	-	54,527	-
Accrued interest payable	68,521	-	68,521	457,875
Deferred revenue	1,862,678	-	1,862,678	1,736,034
Bonds payable (Note 2)	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>9,900,000</u>
Total liabilities	<u>1,994,078</u>	<u>20,000,000</u>	<u>21,994,078</u>	<u>12,125,250</u>
Fund balance				
Reserved for debt service	4,133,734	-	4,133,734	3,056,086
Unreserved, undesignated	<u>15,715,644</u>	<u>-</u>	<u>15,715,644</u>	<u>7,630,406</u>
Total fund balance	<u>19,849,378</u>	<u>-</u>	<u>19,849,378</u>	<u>10,686,492</u>
Total liabilities and fund balance	<u>\$21,843,456</u>	<u>\$20,000,000</u>	<u>\$41,843,456</u>	<u>\$22,811,742</u>

The accompanying notes are an integral part of the combined financial statements.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Revenues		
Property tax	\$ 1,657,797	\$ 1,479,416
Interest	<u>861,207</u>	<u>514,080</u>
Total revenues	<u>2,519,004</u>	<u>1,993,496</u>
Expenditures		
Capital projects	1,744,496	928,797
Debt service		
Principal retirement	9,900,000	500,000
Interest	<u>1,186,622</u>	<u>915,750</u>
Total expenditures	<u>12,831,118</u>	<u>2,344,547</u>
Expenditures over revenues	<u>(10,312,114)</u>	<u>(351,051)</u>
Other financing sources (uses)		
Operating transfers out (Note 3)	(525,000)	-
Proceeds of debt	<u>20,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>19,475,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	9,162,886	(351,051)
Fund balance, beginning of year	<u>10,686,492</u>	<u>11,037,543</u>
Fund balance, end of year	<u>\$ 19,849,378</u>	<u>\$10,686,492</u>

The accompanying notes are an integral part of the combined financial statements.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The Stockyards Southeast Quadrant Redevelopment Project Area (Project) was established in February 1992. The area has been established to finance improvements, leverage private investment and create and retain jobs. Reimbursements, if any, are made to the developer as public improvements are completed and pass City inspection.

The semi-annual principal and interest payments are made from incremental real property taxes, which are paid in the redevelopment district.

Basis of Accounting

The Project is accounted for within the capital project, debt service and special revenue funds of the City. The Bonds Payable are recorded in the City's General Long-term Debt Account Group. The report is presented herein on a combined basis.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

The bond proceeds and incremental taxes associated with the Stockyards Tax Increment Financing District are deposited with the City Treasurer or in a separate trust account. Eligible project expenditures are approved by the Department of Planning and Development in accordance with the project budget and paid from the trust account. Eligible project expenditures may be paid from bond proceeds or incremental taxes in excess of next year's annual debt service, after fully funding of all other funds and accounts.

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Investments are stated at cost or amortized cost, which approximates market value.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

Note 2 - Bonds Payable

In January 1997, the City entered into a short-term promissory note for the purpose of retiring the Tax Increment Allocation Revenue Bonds Series 1994B (\$9.9 million). Also in January 1997, the City sold Tax Increment Allocation Revenue and Refunding Bonds Series 1996B (\$20.0 million). The bonds have an initial interest rate of 3.60 percent through February 3, 1997 and have maturity dates ranging from December 1, 1999 through December 1, 2014. Certain proceeds and cash on hand will be used to repay the short-term promissory notes, pay project costs, fund required accounts and meet initial debt service requirements. After the expiration of the initial interest rate period, the notes will bear interest at a weekly, daily, commercial paper or adjustable rates, as defined, at the discretion of the City. The City entered into an interest rate swap agreement in June 1997 to reduce its interest rate risk on the bonds. The swap was approved by the City Council and is effective from February 10, 1997 and terminates on December 1, 2014 with an initial notional amount of \$20.0 million.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS  
(Continued)

Note 2 - Bonds Payable (continued)

The counterparty's payments will be based on a variable rate of interest in exchange for an annual fixed rate of interest of payment made by the City. Therefore, the bonds have an effective interest rate of 5.375 percent per annum. The aggregate maturities of the bonds (principal portion only) are as follows:

1998	\$	-
1999		500,000
2000		600,000
2001		700,000
2002		800,000
Thereafter		<u>17,400,000</u>
		<u>\$20,000,000</u>

The principal listed above for each year include amounts payable January 1 of the following year.

Note 3 - Operating Transfers Out

During 1997 in accordance with state statutes, the Project transferred \$525,000 to the contiguous Stockyards Annex Redevelopment Project for infrastructure improvements within the Project area.

Note 4 - Commitments

As of December 31, 1997 the Project has entered into contracts for approximately \$51,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES  
YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities		
Property taxes received	\$ 1,657,797	\$ 1,564,558
Payments for capital projects	(1,712,958)	(897,456)
Interest received	<u>516,842</u>	<u>493,802</u>
Net cash provided by operating activities	<u>461,681</u>	<u>1,160,904</u>
Cash flows from financing activities		
Debt service		
Principal retirement	(9,900,000)	(500,000)
Interest paid	(1,575,976)	(915,750)
Operating transfers out	(525,000)	-
Proceeds of debt	<u>20,000,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>7,999,024</u>	<u>(1,415,750)</u>
Increase (decrease) in cash and investments	8,460,705	(254,846)
Cash and investments, beginning of year	<u>11,128,656</u>	<u>11,383,502</u>
Cash and investments, end of year	<u>\$ 19,589,361</u>	<u>\$ 11,128,656</u>
Reconciliation of expenditures over revenues to net cash provided by operating activities		
Expenditures over revenues	\$ (10,312,114)	\$ (351,051)
Adjustments to reconcile expenditures over revenues to net cash provided by operating activities		
Financing activities	11,475,976	1,415,750
Changes in assets - (increase) decrease		
Property tax receivable	(126,644)	(804,278)
Accrued interest receivable	(344,365)	2,847
Changes in liabilities - increase (decrease)		
Vouchers payable	(22,989)	31,341
Due to other City funds	54,527	-
Accrued interest payable	(389,354)	(23,125)
Deferred revenue	<u>126,644</u>	<u>889,420</u>
	<u>\$ 461,681</u>	<u>\$ 1,160,904</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 128,714
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and buildings, and the clearing and grading of land	1,174,713
Costs of rehabilitation, reconstruction, or repair or remodeling of existing public or private buildings and fixtures	129,218
Costs of the construction of public works or improvements	8,352
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>11,390,121</u>
	<u>\$12,831,118</u>

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

The following Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. The table provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;
- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) of this Section (k).

All terms used in Section (k) relating to increment amounts and assessed value are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law.

# Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report

---

**TABLE K  
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1996 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1996</u>
1997	N.A.(1)	N.A.(1)	N.A.(1)	N.A.(1)	\$21,527,824	\$40,066,997	\$1,934,802

(1) N.A. - not applicable.

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(I) CERTAIN CONTRACTS OF TIF CONSULTANTS**

Section (I) provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and any entity that has or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Section (I) are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City, as of December 31, 1997. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area. **No TIF Consultant was paid by the City for assisting to establish the Project Area.**

## **Stockyards Southeast Quadrant Industrial Redevelopment Project Area 1997 Annual Report**

---

### **(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT**

For the Project Area's Special Tax Allocation Fund, this Report provides a certified audit report reviewing compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. The audit was performed by an independent public accountant, certified and licensed by the State of Illinois, and in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Report contains a statement from the accountant indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate.

BERNARD J. SULLIVAN, C.P.A.  
RICHARD J. QUINN, C.P.A.  
FRANK S. GADZALA, C.P.A.  
PAUL A. MERKEL, C.P.A.  
THOMAS A. TYLER, C.P.A.  
JOHN W. SANEW III, C.P.A.  
THOMAS A. CERWIN, C.P.A.  
STEPHEN R. PANFIL, C.P.A.  
MICHAEL D. HUELS, C.P.A.  
ROBERT J. MARSCHALK, C.P.A.  
THOMAS J. CAPLICE, C.P.A.  
ROBERT J. HANNIGAN, C.P.A.  
GERARD J. PATER, C.P.A.  
VINCENT M. GUZALDO, C.P.A.

**Bansley and Kiener, L.L.P.**  
Certified Public Accountants

*Established 1922*

MANAGEMENT ADVISORY SERVICES

TIMOTHY R. MULCAHY  
DAVID W. RICHMOND

125 SOUTH WACKER DRIVE CHICAGO, ILLINOIS 60606-4496 312/263-2700 FAX: 312/263-6935

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the combined balance sheet of Stockyards Southeast Quadrant Redevelopment Project of the City of Chicago, Illinois as of December 31, 1997, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 5, 1998.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Stockyards Southeast Quadrant Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

May 5, 1998

**Stockyards Southeast Quadrant Industrial Redevelopment Project Area  
1997 Annual Report**

---

**ATTACHMENT  
REDEVELOPMENT PLAN**

CITY OF CHICAGO

**STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT AREA  
TAX INCREMENT ALLOCATION FINANCE PROGRAM**

**REDEVELOPMENT PLAN AND PROJECT**

September, 1991

Richard M. Daley  
Mayor

REDEVELOPMENT PLAN AND PROJECT FOR  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT AREA  
TAX INCREMENT FINANCING PROGRAM

TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
INTRODUCTION .....	7
REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION .....	10
REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES .....	11
BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA .....	13
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT ...	17
REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES .....	17
REDEVELOPMENT PLAN .....	18
GENERAL LAND-USE PLAN .....	19
ESTIMATED REDEVELOPMENT PROJECT COSTS .....	20
SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS .....	22
PROVISION FOR AMENDING ACTION PLAN .....	26
AFFIRMATIVE ACTION PLAN .....	27
LEGAL DESCRIPTION .....	28
MAPS .....	31

## **EXECUTIVE SUMMARY**

### **GOALS AND OBJECTIVES**

#### **General Goals:**

- \* Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- \* Provide sound economic development in the Redevelopment Project Area.
- \* Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Redevelopment Area.
- \* Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Redevelopment Project Area.
- \* Create suitable locations for industry.
- \* Create job opportunities.
- \* Achieve changes of land use, through development of coordinated clusters of uses for neighborhood shopping and industry.

#### **Redevelopment Objectives:**

- \* Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- \* Return tax delinquent properties back to the tax roles;
- \* Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial and industrial construction.
- \* Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- \* Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for industrial redevelopment needs and standards.
- \* Provide needed incentives to encourage improvements for new development efforts.

- \* Improve the appearance and security of the Redevelopment Project Area by creating a new industrial area.
- \* Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.
- \* Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

#### Development and Design Objectives

- \* Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- \* Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- \* Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- \* Ensure safe and adequate circulation patterns and capacity in the project area.
- \* Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- \* Encourage development of usable industrial space of all sizes.

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc., the Stockyards Southeast Quadrant Industrial Redevelopment Project Area qualifies as a vacant "blighted area" as defined by the Act. The area is characterized by the presence of two of the blighting factors for vacant land as listed in the Act, impairing the sound growth of the taxing districts in the City of Chicago.

Specifically:

- \* Of the fourteen factors set forth in the law, eleven are present in the Study Area.
- \* The blighting factors which are present are reasonably distributed throughout the Study Area.
- \* All areas within the Study Area show the presence of blighting factors.

Based upon the findings of the Eligibility Study for the Stockyards Southeast Quadrant Industrial Area, the Redevelopment Project Area on the whole has not been subject to growth and

development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

## **REDEVELOPMENT PLAN**

The Redevelopment Plan proposes the development of approximately 70 acres of new industrial facilities that will stimulate other industrial development by the private sector in the area outside of the proposed Redevelopment Project Area. In order to accomplish the City of Chicago objective of stimulating industrial development in the Stockyards Southeast Quadrant Industrial Redevelopment Area, public and private improvements need to take place. This Redevelopment Plan will make approximately 70 acres of land available for industrial facilities development.

The proposed Stockyards Southeast Quadrant Industrial Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreement will generally provide for the City to provide funding for necessary soil and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. Developers or users will undertake the responsibility for the required soil and site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to improvements and necessary ancillary improvements required for the project.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs).

TABLE 1

Program Action/Improvements

Land Acquisition	\$ 500,000
Demolition	3,500,000
Site preparation	5,300,000
Environmental remediation	2,500,000
Public Improvements	500,000
Job Training	500,000
Interest Subsidies	1,000,000
Contingencies	400,000
Planning, legal, studies, etc.	300,000
TOTAL PROJECT COST*	\$14,500,000

\*Exclusive of capitalized interest, issuance costs and other financing costs

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and

obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate.

### **Issuance of Obligations**

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net tax increment revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

### **Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area**

The total 1989 equalized assessed valuation for the entire Redevelopment Project Area is \$20,448,607. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

### **Anticipated Equalized Assessed Valuation**

By the year 2000, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$32,000,000 and \$37,000,000. These estimates are based on several key assumptions, including: 1) all new industrial development will be completed in 1998; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged and 4) for the duration of the project the tax rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1989 level.

## INTRODUCTION

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area contains approximately 228.5 acres. The Redevelopment Project Area is bounded generally on the North by Exchange Avenue, on the east by Halsted Street, on the south by West 47th Street, and on the west by Packers Avenue. Halsted Street, 47th Street and Racine Avenue provide the major access to the Redevelopment Project Area. The Redevelopment Project Area is located in an area of Chicago that has excellent transportation access. The Dan Ryan Expressway lies one mile east along 39th Street, Root Street to 43rd Street and 47th Street, and the Stevenson Expressway is 1.5 miles north along Ashland Avenue. The location and boundaries of the Redevelopment Project Area are shown on Map 1, Project Boundary.

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area is located in the New City Community Area within the area known as the former Union Stockyards which is primarily an industrial area. The Redevelopment Project Area is under-utilized. It contains considerable areas of vacant land on which there is debris including cinders, bricks, concrete and wood. Some previous building improvements were removed in the 1960's due to their advanced state of decay. There are abandoned railroad tracks in portions of the Redevelopment Project Area.

The purpose of the Redevelopment Plan is to create a mechanism to allow for the development of new industrial facility on the vacant and under-utilized land and to remove dilapidated structures to create an environment suitable for industrial development in the Redevelopment Project Area. The redevelopment of this Project Area is expected to encourage economic revitalization within the community and surrounding area.

### Tax Increment Allocation Redevelopment Act.

An analysis of conditions within this area indicates that it is appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation. The area is characterized by conditions which warrant the designation as a "blighted area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (hereafter referred to as

the "Act"). The Act is found in the Illinois Revised Statutes, Chapter 24 Section 11-74.4-1 et seq., as amended.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project" to redevelop blighted areas by pledging the increase in tax revenues generated by public and private redevelopment in order to pay for the up front public costs which are required to stimulate such private investment in new redevelopment and rehabilitation. Municipalities may issue obligations to be repaid from the stream of real property tax increments that occur within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value (the Certified EAV Base) for all real estate located within the district and the current year EAV. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

The Stockyards Southeast Quadrant Industrial Redevelopment Area Project and Plan (hereafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provision of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the Stockyards Southeast Quadrant Industrial Redevelopment Tax Increment Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirement of the Act. The Redevelopment Project Area boundaries are described in Section II of the Redevelopment Plan and shown in Map 1, Boundary Map.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

The purpose of this Redevelopment Plan is to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. The adoption of the Redevelopment Plan makes possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area -- an area which cannot reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Public investments, will create the appropriate environment to attract the investment required for the rebuilding of the area.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided in accordance with the Act. The Redevelopment Project Area would not be reasonably developed without the use of such incremental revenues.

## REDEVELOPMENT PROJECT AREA AND LEGAL DESCRIPTION

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area is located approximately six miles northwest of Chicago's Central Business District. The Redevelopment Project Area contains approximately 228.5 acres. The Redevelopment Project Area is bounded generally on the North by Exchange Avenue, on the east by Halsted Street, on the south by West 47th Street, and on the west by Packers Avenue. Halsted Street, 47th Street and Racine Avenue provide the major access to the Redevelopment Project Area.

The legal description of the Stockyards Southeast Quadrant Industrial Redevelopment Project Area is as follows:

A tract of land in the Northeast quarter, in the Southeast quarter, and in the East half of the Southwest quarter of Section 5, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at the Southeast corner of said Section 5; thence West along the South line of said Southeast quarter 2640 feet more or less, to the West line of said Southeast quarter; thence North 1320 feet along last said West line to the South line of the Northeast quarter of the Southwest quarter (being the South line of Packers Subdivision as recorded September 20, 1870 as Document No. 66615); thence West 910 feet along last said South line to a line 33 feet West of and parallel to the centerline of Packers Avenue; thence North 1330 feet along last said line 33 feet West of the centerline of Packers Avenue to the North line of said Southwest quarter of Section 5; thence East 910 feet more or less, along last said North line to the West line of the Northeast quarter of said Section 5; thence North 962 feet along last said West line to the centerline of Exchange Avenue as shown on Stock Yards Subdivision as recorded March 14, 1903 as Document No. 3362808; thence East 1020 feet along the centerline of Exchange Avenue to the West line extended North of Donovan Industrial Park as recorded July 1, 1976 as Document No. 23542559; thence South 952 feet along last said West line to the centerline of 43rd Street (also being the South line of Northeast quarter of said Section 5); thence East 320 feet along the centerline of 43rd Street to the centerline of Morgan Street as shown in said Donovan Industrial Park; thence North 250 feet along last said centerline of Morgan Street to the South line of the North 190 feet of Lot 4 extended West of said Donovan Industrial Park; thence East 620.4 feet along last said South line to the East line of Lot 4 of Donovan Industrial Park; thence North 660 feet more or less, along the East line of Lots 4 and 1 in Donovan Industrial Park to the centerline of Exchange Avenue; thence East 710 feet along the centerline of Exchange Avenue to the East line of said Section 5; thence South along last said East line of Section 5 to the Southeast corner of Section 5 being the place of beginning, all in Lake Township, Cook County, Illinois.

Property contains 228.5 acres, more or less.

## REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

### General Goals:

- \* Improve the quality of life in Chicago by eliminating the influence of, as well as the manifestations of, both physical and economic blight in the Redevelopment Project Area.
- \* Provide sound economic development in the Redevelopment Project Area.
- \* Revitalize the Redevelopment Project Area to make it an important center contributing to the revitalization of the Redevelopment Area.
- \* Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties in the Redevelopment Project Area.
- \* Create suitable locations for industry.
- \* Create job opportunities.
- \* Achieve changes of land use, through development of coordinated clusters of uses for neighborhood shopping and industry.

### Redevelopment Objectives:

- \* Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section IV of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes the blighting conditions.
- \* Return tax delinquent properties back to the tax roles;
- \* Enhance the tax base of the City of Chicago and of the other taxing districts which extend into the Redevelopment Project Area by encouraging private investment in new commercial and industrial construction.
- \* Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- \* Encourage the assembly of land into parcels functionally adaptable with respect to shape and size for industrial redevelopment needs and standards.
- \* Provide needed incentives to encourage improvements for new development efforts.
- \* Improve the appearance and security of the Redevelopment Project Area by creating a new industrial area.
- \* Provide needed incentives to encourage a broad range of improvements in both new development and rehabilitation efforts.

- \* Encourage the participation of minorities and women in the development of the Redevelopment Project Area.

#### Development and Design Objectives

- \* Establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- \* Encourage coordinated development of parcels and structures in order to achieve efficient building design; unified off-street parking, trucking and service facilities; and appropriate access to nearby highways.
- \* Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- \* Ensure safe and adequate circulation patterns and capacity in the project area.
- \* Encourage a high-quality appearance of buildings, rights-of-way and open spaces, and encourage high standards of design.
- \* Encourage development of usable industrial space of all sizes.

Investment in new development is essential in the Stockyards Southeast Quadrant Industrial Redevelopment Project Area. Development efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, an increased tax base and additional employment opportunities.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of the Redevelopment Plan identifies more specific programs which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

## **BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

Based upon surveys, inspections, research and analysis of the area by Louik/Schneider & Associates, Inc. the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act. A separate report entitled Stockyards Southeast Quadrant Industrial Redevelopment Area Tax Increment Financing District Eligibility Report," dated September, 1991 describes in detail the surveys and analysis undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a "blighted area" as defined by the Act.

Summarized below are the findings of the Eligibility Report: The area is characterized by the presence of eleven of the blighting factors for an improved area as listed in the Act, impairing the sound growth of the taxing districts in this area of the City. Specifically:

- \* Of the fourteen factors set forth in the law, eleven are present in the area.
- \* The blighting factors which are present are reasonably distributed throughout the Study Area.
- \* All areas within the Study Area show the presence of blighting factors.

### **1. Age**

Age as a factor is present in two of the three blocks in the Study Area. Of the 30 total buildings in the Study Area, 21 (70 percent) are 35 years of age or older.

### **2. Dilapidation**

Dilapidation is present in two parcels containing eleven interconnected buildings. These buildings significantly impact one block of the Study Area.

### **3. Obsolescence**

Obsolescence as a factor is present in two of the three blocks. Sixteen of the Thirty structures (53 percent) are obsolete and there are numerous parcels which are obsoletely platted.

4. **Deterioration**  
Deterioration as a factor is present in many of the parcels in the Study Area. Conditions contributing to this factor include deteriorating structures, deteriorating off-street parking and storage areas and site surface areas. Twenty-one of the thirty structures (70 percent) are characterized by deterioration including four parcels which contain structures that have deterioration of parking surfaces.
5. **Illegal use of individual structures**  
There was no evidence of structures which were illegal uses as defined by municipal ordinance.
6. **Structures Below Minimum Code Standards**  
Structures below the city's minimum code standards for existing buildings as a factor is present in one parcel having a major impact on one block.
7. **Excessive Vacancies**  
Excessive vacancies as a factor is present in two of the three blocks. Twelve buildings were entirely vacant (40 percent) and another was partially vacant. The Study Area contains over 70 acres of vacant under-utilized land (31 percent of the entire area).
8. **Overcrowding of structures and community facilities**  
There was no evidence of overcrowding of structures in the Study Area.
9. **Lack of Ventilation, Light or Sanitary Facilities**  
Twelve structures in the Study Area exhibit a lack of ventilation, light or sanitary facilities.
10. **Inadequate Utilities**  
Inadequate utilities are present in the interior area of one Block and in providing direct access to another Block in the Study Area.
11. **Excessive land coverage**

There was no evidence of excessive land coverage in the Study Area.

**12. Deleterious Land-Use or Layout**

Deleterious land-use or layout is present in 54 parcels of the 65 parcels (83 percent) in the Study Area. Conditions contributing to this factor include outside storage areas, large tracts of vacant and under-utilized land, vacant and dilapidated structures and sub-standard streets limiting access to portions of the Study Area.

**13. Depreciation of Physical Maintenance**

Depreciation of physical maintenance is present in twenty of the thirty structures (67 percent) in the Study Area. In addition, almost all vacant parcels have deteriorated surfaces and fly dumping. Conditions contributing to this factor include deferred maintenance and lack of maintenance of buildings, parking and storage areas, and site improvements. Depreciation of physical maintenance is present in 50 of the 65 parcels (77 percent) in the Study Area.

**14. Lack of Community Planning**

Lack of community planning is present to a major extent throughout the Study Area. Conditions contributing to this factor include parcels of inadequate size contemporary development in accordance with current day needs and standards, and the lack of reasonable development controls for building uses, setbacks, off-street parking and loading and the limited access provided by the present street system in combination with the vacant inaccessible land areas. The area lacks an overall plan for coordinated development on a parcel by parcel basis. The entire Study Area exhibits this factor.

The analysis above was based upon data assembled by the City of Chicago, Department of Economic Development and Louik/Schneider & Associates, Inc. The surveys, research and analysis conducted include:

1. Exterior surveys of the condition and use of the Redevelopment Project Area;

2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing and previous uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning maps;
5. Historical analysis of site uses and users;
6. Analysis of original and current platting and building size layout;
7. Analysis of Tax delinquency;
8. Review of previously prepared plans, studies and data.

Based upon the findings of the Eligibility Study for Stockyards Southeast Quadrant Industrial Study Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan.

## STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

### A. REDEVELOPMENT PROJECT AREA GOAL AND OBJECTIVES

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking some or all of the following actions:

1. Assemblage of Sites. To achieve the renewal of the Redevelopment Project Area, property identified in Map 3, Development Activities, attached hereto and made a part hereof, may be acquired by the City of Chicago and cleared of all improvements if any and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or facilities. The City may determine that to meet the renewal objectives of this Redevelopment Plan, other properties in the Redevelopment Project Area not scheduled for acquisition should be acquired, or certain property currently listed for acquisition should not be acquired. Acquisition of land for public rights-of-way may also be necessary for the portions of said rights-of-way that the City does not own (see Map 3).

As a necessary part of the redevelopment process, the City may hold and secure property which it has acquired and place it in temporary uses until such property is scheduled for disposition and redevelopment. Such uses may include, but are not limited to, project office facilities, parking or other uses the City may deem appropriate.

2. Provision of Public Improvements and Facilities. Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
  - a. Construction of Packers Street
  - b. Provision of utilities necessary to serve the redevelopment.
3. Provision for Demolition and Environmental Remediation. Funds may be made available for demolition and removal of dilapidated structures and any necessary environmental remediation required for such building sites.
  - a. Demolition of the former Hammond Warehouse, Inc. storage facility and any necessary environmental remediation will be accomplished through a redevelopment agreement with the Back of the Yards Neighborhood Council which is obtaining this property through the Cook County Tax Reactivation Program.

4. Provision for Soil and Site Improvements. Funds may be made available for improvements properties for the purpose of making land suitable for development.
  - a. Entering into a redevelopment agreement for necessary soil preparation and site improvements in the Redevelopment Project Area.
5. Provision for Interest Subsidy. Funds may be made available to privately held properties for the purpose of reducing interest costs for the purpose of redeveloping properties.
6. Provision for Job Training. Funds may be made available for companies building or expanding facilities in the Project Area for the training of new employees or existing employees.
7. Redevelopment Agreements. Land assemblage shall be conducted for (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in the Redevelopment Plan.

In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

## B. REDEVELOPMENT PLAN

The Redevelopment Plan proposes the development of new industrial facilities that takes advantage of the Redevelopment Project Area's excellent location. The industrial facilities and ancillary services will cover all of the almost all of the Stockyards Southeast Quadrant Industrial Redevelopment Project Area. The Redevelopment Project Area will allow for the development of 1,000,000 square feet of new industrial facilities employing approximately 500 persons.

The Redevelopment Plan proposes a redevelopment by the Back of the Yards Neighborhood Council (BYNC) that will stimulate other industrial development by the private sector in the

Redevelopment Project Area as well as areas outside of the Redevelopment Project Area. The propose of BYNC's plan is the removal of 11 multi-storied vacant and uninhabited storage buildings which were built at the turn of the century. These buildings are in a blighted state of repair and can not be rehabilitated. The buildings have no electricity, heat, they lack windows, doors, and operating systems. The buildings are located on 476,236 square feet of land (approximately 11 acres), which will be developed with new industrial buildings when the 11 buildings are demolished. In order to accomplish the City of Chicago's objective of stimulating industrial development, numerous public and private improvements need to take place. This Redevelopment Plan will make approximately 70 acres of land available for new industrial facilities development.

The proposed Stockyards Southeast Quadrant Industrial Redevelopment Project Area will require planning and programming of improvements. The redevelopment agreement will generally provide for the City to provide funding for necessary soil and site improvements. The funds for said improvements are to come from the City's issuance of bonds to be repaid from the incremental increase in tax revenues to be generated from the entire Redevelopment Project Area. Developers or users will undertake the responsibility for the required soil and site improvements, a portion of which may be paid for from the issuance of bonds, and will further be required to build any agreed to improvements and necessary ancillary improvements required for the project.

The Redevelopment Plan and Project conforms to the Comprehensive Plan of the City of Chicago.

### C. GENERAL LAND-USE PLAN

The Redevelopment Plan and the proposed projects described herein conform to the land uses and development policies for the City as a whole as currently provided by the Comprehensive Plan of Chicago (1966).

**D. ESTIMATED REDEVELOPMENT PROJECT COSTS**

Redevelopment project costs mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project pursuant to the State of Illinois Tax Increment Allocation Redevelopment Act. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Cost of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
9. Payment in lieu of taxes;
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced

vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

11. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
  - b. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  - d. the total of such interest payments paid pursuant to this Act may not exceed 30 percent of the total of (i) costs paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
  
12. Unless explicitly stated in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

The estimated redevelopment project costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such redevelopment project costs included prior to, but in anticipation of, the adoption of tax increment financing, the City shall be reimbursed for such redevelopment project costs. The total redevelopment project costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan.

**TABLE 1**  
**ESTIMATED REDEVELOPMENT PROJECT COSTS**

Program Action/Improvements

Land Acquisition	\$ 500,000
Demolition	3,500,000
Site preparation	5,300,000
Environmental remediation	2,500,000
Public Improvements	500,000
Job Training	500,000
Interest Subsidies	1,000,000
Contingencies	400,000
Planning, legal, studies, etc.	300,000

TOTAL PROJECT COST\* \$14,500,000

\*Exclusive of capitalized interest, issuance costs and other financing costs

E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for redevelopment project costs and municipal obligations which have been issued or incurred to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which have as their revenue source tax increment revenue. To secure the issuance of these obligations, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The tax increment revenue which will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of each such property in the Redevelopment Project Area. Other sources of funds which may be used to pay for redevelopment costs and obligations issued or incurred, the proceeds of which are used to pay for such costs, are land disposition proceeds, state and federal grants, investment income, and such other sources of funds and revenues as the municipality may from time to time deem appropriate. Without the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be developed. All incremental revenues utilized by the City of Chicago will be utilized exclusively for the development of the Redevelopment Project Area.

### **Issuance of Obligations**

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not

exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

#### **Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area**

The total 1989 equalized assessed valuation for the entire Redevelopment Project Area is 20,448,607. This equalized assessed valuation is subject to final verification by Cook County. After verification, the County Clerk of Cook County, Illinois will certify the amount, and this amount will serve as the "Initial Equalized Assessed Valuation."

#### **Anticipated Equalized Assessed Valuation**

By the year 2000, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at between \$32,000,000 and \$37,000,000. These estimates are based on several key assumptions, including: 1) all industrial development will be completed in 1998; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 1.9133 as applied to 1989 assessed values will remain unchanged and 4) for the duration of the project the tax

rate for the entire Redevelopment Project Area is assumed to be the same and will remain unchanged from the 1989 level.

## **PROVISION FOR AMENDING ACTION PLAN**

The Stockyards Southeast Quadrant Industrial Redevelopment Project Area Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

## **AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to the Stockyards Southeast Quadrant Industrial Redevelopment Project Area.

- A. The assurance of equal opportunity in all personnel and employment actions with respect to the Plan and Project, including but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.
  
- B. This commitment to affirmative action will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

## LEGAL DESCRIPTION

A tract of land in the Northeast quarter, in the Southeast quarter, and in the East half of the Southwest quarter of Section 5, Township 38 North, Range 14 East of the Third Principal Meridian, described as follows:

Beginning at the Southeast corner of said Section 5; thence West along the South line of said Southeast quarter 2640 feet more or less, to the West line of said Southeast quarter; thence North 1320 feet along last said West line to the South line of the Northeast quarter of the Southwest quarter (being the South line of Packers Subdivision as recorded September 20, 1870 as Document No. 66615); thence West 910 feet along last said South line to a line 33 feet West of and parallel to the centerline of Packers Avenue; thence North 1330 feet along last said line 33 feet West of the centerline of Packers Avenue to the North line of said Southwest quarter of Section 5; thence East 910 feet more or less, along last said North line to the West line of the Northeast quarter of said Section 5; thence North 962 feet along last said West line to the centerline of Exchange Avenue as shown on Stock Yards Subdivision as recorded March 14, 1903 as Document No. 3362808; thence East 1020 feet along the centerline of Exchange Avenue to the West line extended North of Donovan Industrial Park as recorded July 1, 1976 as Document No. 23542559; thence South 952 feet along last said West line to the centerline of 43rd Street (also being the South line of Northeast quarter of said Section 5); thence East 320 feet along the centerline of 43rd Street to the centerline of Morgan Street as shown in said Donovan Industrial Park; thence North 250 feet along last said centerline of Morgan Street to the South line of the North 190 feet of Lot 4 extended West of said Donovan Industrial Park; thence East 620.4 feet along last said South line to the East line of Lot 4 of Donovan Industrial Park; thence North 660 feet more or less, along the East line of Lots 4 and 1 in Donovan Industrial Park to the centerline of Exchange Avenue; thence East 710 feet along the centerline of Exchange Avenue to the East line of said Section 5; thence South along last said East line of Section 5 to the Southeast corner of Section 5 being the place of beginning, all in Lake Township, Cook County, Illinois.

Property contains 228.5 acres, more or less.

**TABLE 2**  
**1989 EQUALIZED ASSESSED VALUATION**

S. E. QUADRANT OF THE STOCKYARDS 1989 EAV

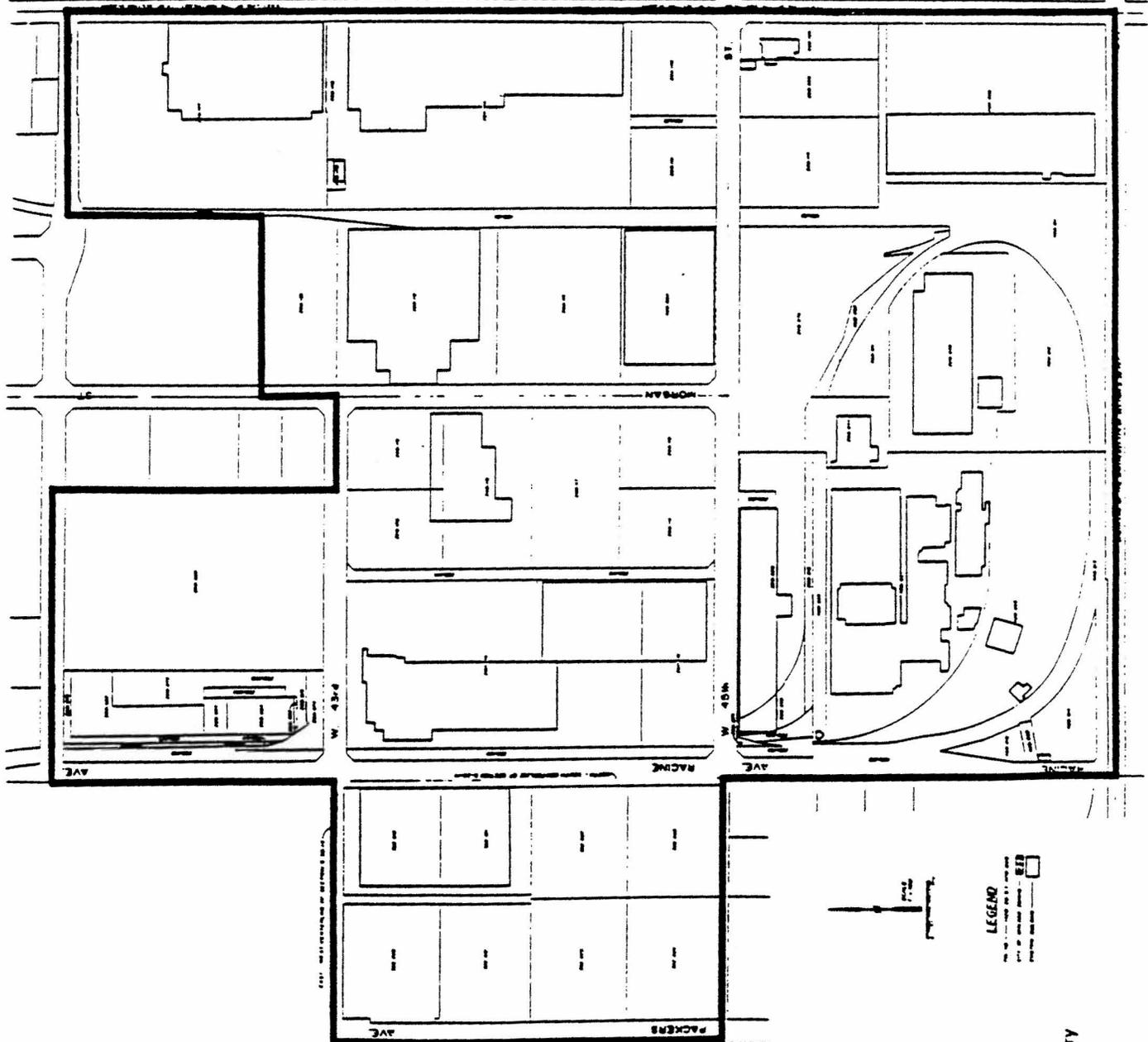
PERM. INDEX NO.	1989
20-05-200-004	\$12,377
-008	\$1,749,755
-015	\$34,395
-019	\$3,664
-045	\$1,538
-046	\$4,001
-047	\$4,163
-048	\$1,184,715
-049	\$18,801
-050	\$1,846,319
-067	\$25,787
-068	\$2,397
-070	\$3,432
-071	\$237
-072	\$2,177
-073	\$9,190
-074	\$7,179
-075	\$14,742
-076	\$165,045
-077	\$1,270
-083	\$519
-088	\$222,184
-094	\$237,532
-095	\$115,799
-096	\$216,193
-100	\$0
-105	\$209,734
-106	\$9,899
-112	\$1,791,645
-113	\$132,773
-114	\$84,855
-115	\$50,655
-116	\$49,384
-117	\$94,272
-118	\$252,904
-119	\$283,274
-120	\$220,881
-132	\$1,934,760
-133	\$1,331,856
-135	\$37,985
-138	\$13,676
-140	\$71,043

-141	\$63,376
-144	\$14,382
-145	\$24,258
-146	\$2,282,820
-147	\$581,157
-148	\$7,121
20-05-302-003	\$81,034
-007	\$73,128
-009	\$77,058
-010	\$821,175
-011	\$687,816
-012	\$74,399
20-05-400-003	\$12,877
-004	\$1,576,764
-006	\$48,542
-007	\$674,199
-009	\$210,663
-011	\$462,720
-012	\$165,041
-014	\$51,774
-015	\$0
-016	\$5,296
TOTAL	\$20,448,607

## **MAPS**

- Map 1      **Redevelopment Project Boundaries**
- Map 2      **Existing Land-Use**
- Map 3      **Redevelopment Plan / Proposed Land-Use**

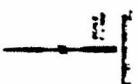
# Map 1 Redevelopment Project Boundaries



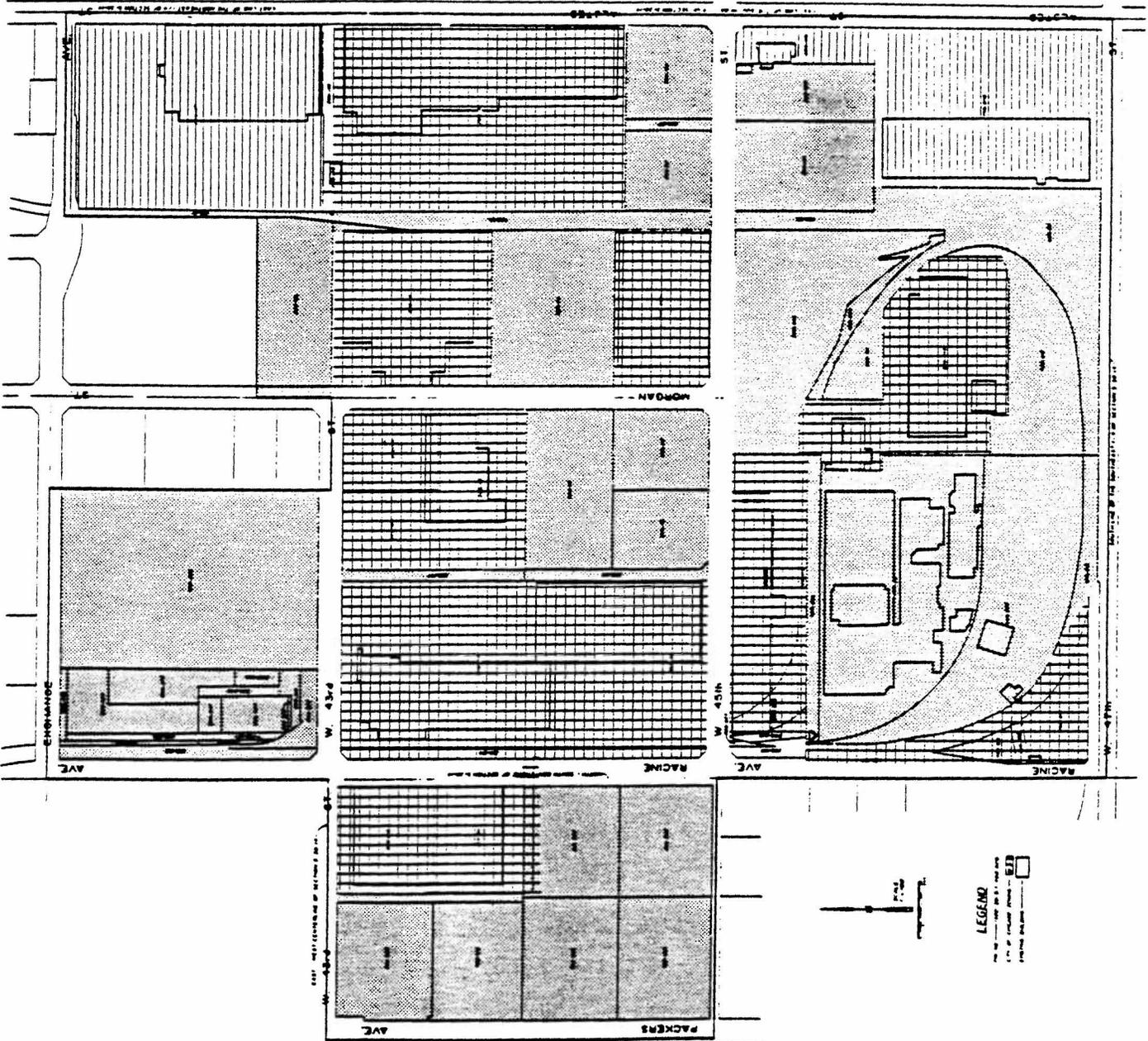
Project Boundary

Stockyards  
Southeast Quadrant Industrial  
Redevelopment Project Area  
Redevelopment Plan  
City of Chicago  
September, 1991  
Prepared by: Louik/Schneider &  
Associates

LEGEND  
Project Boundary



# Map 2 Existing Land-Use

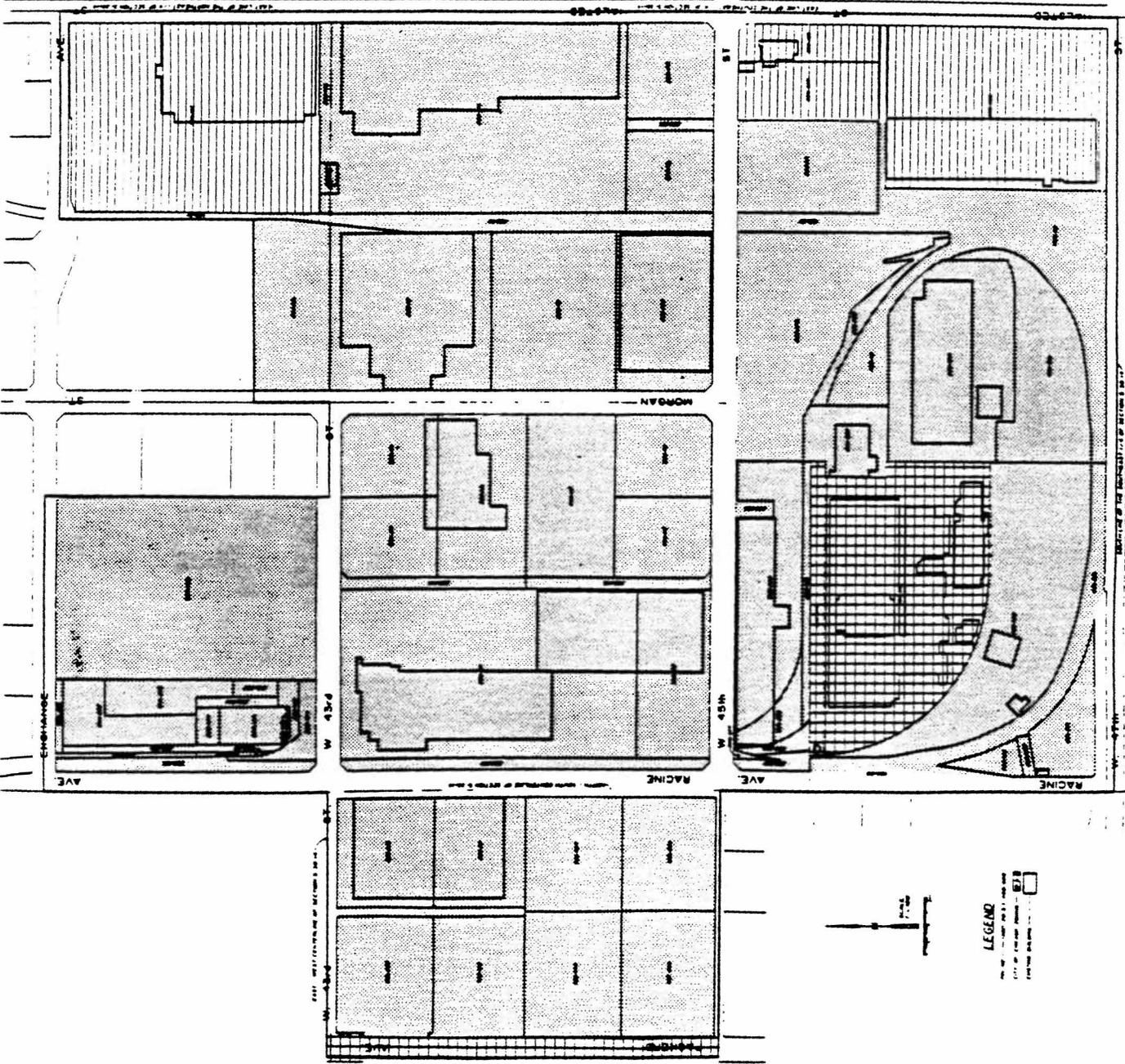


Stockyards  
 Southeast Quadrant Industrial  
 Redevelopment Project Area  
 Redevelopment Plan  
 City of Chicago  
 September, 1991

Prepared by: Louik/Schneider &  
 Associates

Industrial  
 Vacant  
 Commercial

# Map 3 Redevelopment Plan / Proposed Land-Use



Industrial  
Commercial

Properties which may need to be acquired

Stockyards  
Southeast Quadrant Industrial  
Redevelopment Project Area  
Redevelopment Plan  
City of Chicago  
September, 1991  
Prepared by: Louik/Schneider  
Associates